Subsidy review

1079. SHRI MOHD. ALI KHAN: Will the Minister FINANCE of be pleased to state:

(a) whether Government is reviewing the subsidies to ensure only those who are needy get them;

(b) if so, the criteria identified so far; and

(c) by when it will be implemented in each State especially in Andhra Pradesh for the benefit of minorities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) No proposal to review subsidies, in general, is under the active consideration of the Government. Some specific announcements relating to major budgetary subsidies indicated in the Budget for 2009-10 are: the commencement of work on National Food Security Act that aims to ensure that every family living below the poverty line in rural or urban areas to 25 kilos of rice or wheat per month at Rs.3 a kilo; the intention to move towards a nutrient based fertilizer subsidy regime and the intention of the Government to set up an expert group to advise on a viable and sustainable system of pricing petroleum products.

Shortfall in direct tax collection

1080. SHRI R.C. SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the target of direct tax collection has fallen well short of the target of Rs. 3.45 lakh crores for 2008-09;

(b) if so, the details thereof and the reasons behind the shortfall;

(c) whether the recession has any impact on the collection of direct taxes;

(d) if so, the details thereof; and

(e) how the above shortfall will have its impact on the fiscal deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S PALANIMANICKAM): (a) Yes, Sir. The target has fallen short by Rs. 6788 crores.

(b) to (d) In 2008-09 up to the 1st half the collection was growing at a growth rate of 32.5% over the corresponding collection during the previous year. However, the global slowdown in economy started impacting the India economy severely which dented the profits of companies and also resulted in less salaries pay outs to employees, both resulting in decrease in collection in Corporation Tax and Personal Income Tax. Therefore during the 2nd half for 2008-09, the tax collection dipped by (-)5.04%. The Stock Market also remained subdued because of economic meltdown and the Department could collect only Rs. 5408 crore from Securities Transaction Tax at a negative growth rate of (-)36.95%. The Income Tax Department therefore could finally collect Rs. 3,38,212 at a growth rate of 8.33%.